GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:989
ANSWERED ON:19.07.2002
FISCAL PROBLEMS OF THE STOCK
ADHIR RANJAN CHOWDHURY;HANNAN MOLLAH;KAMBALAPADU E. KRISHNAMURTHY;MOINUL HASSAN AHAMED;NARESH KUMAR PUGLIA;SAMIK LAHIRI

Will the Minister of FINANCE be pleased to state:

(a) whether a high powered committee has been set up to address the mounting fiscal problems of the States;

(b) if so, the composition of the committee and by when the committee is likely to submit its report to the Government;

(c) whether due to fiscal problem a large number of States are unable to complete their ongoing projects;

(d) if so, the details and facts thereof; and

(e) the remedial steps taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANT G. GEETE)

a) & b) : No, Sir.

c) & d) : Inadequacy of receipts to meet growing expenditure have resulted in a large number of States being unable to fund capital expenditure fully.

e) : In recognition of the need for fiscal consolidation and for incentivising States to undertake fiscal reforms, the Government of India has drawn up a scheme of monitorable fiscal reforms for the States. Under this facility, States are expected to draw up their Medium Term Fiscal Reforms Programme which address, inter-alia, issues of fiscal consolidation, power sector reforms, fiscal transparency etc. Performing States are eligible for grants from the Incentive Fund created under this Facility.